

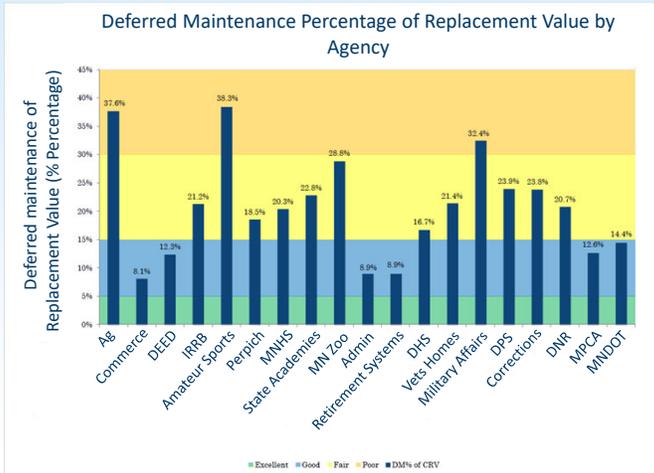


Department of Administration

- Facilities Management
- Real Estate & Construction
- Enterprise Real Property Program
- Office of Enterprise Sustainability

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Asset Preservation



- Designed to reduce or stabilize deferred maintenance
- Goal is good or better condition
- Asset preservation is used to reduce backlog
- Without asset preservation funding, increased risk of disruptions to services, emergency or agency funds needed to fix problems and costs increase

Asset Preservation Guided by Statute Minn. Stat. 16B.307

Allowable Uses

- **Life, Health & Safety.** Address life safety hazards, including security, building code violations and structural defects
- **Environmental.** Eliminating or remediating hazardous substances or conditions (asbestos, lead paint)
- **Accessibility.** Addressing accessibility deficiencies and
- **Major Repairs.** Undertaking building system repairs or replacements (e.g. roofs, windows, mechanical or electrical)
- **Parking.** Repair of parking facilities and surface lots

Not allowed

- **Land Acquisition.**
- **New Construction.** Construction of new buildings or additions
- **Non-state-owned properties.** May not be used on non-state owned
- **Routine Maintenance.** For operating expenses (routine maintenance items)
- **Non-Capital items**

Asset Preservation Appropriations

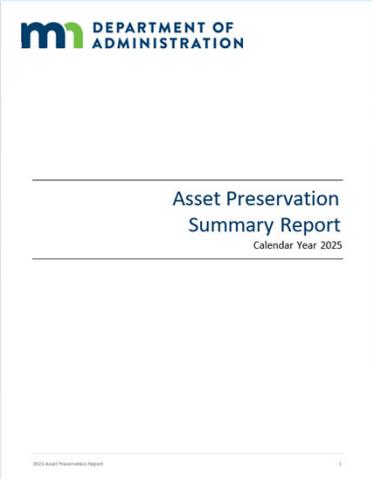
Past bonding and cash bills

2023	\$60.38 million	2025	\$50.26 million
State Academies	\$1.2 million	State Academies	\$1.0 million
Direct Care	\$7.2 million	Perpich Center	\$1.26 million
	\$2.0 million (cash)	Direct Care	\$7.5 million
Vet Affairs	\$12.36 million	Vet Affairs	\$7.5 million
Corrections	\$33.80 million	Corrections	\$33 million
	\$ 3.82 million (cash)		

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2025 Asset Preservation Report

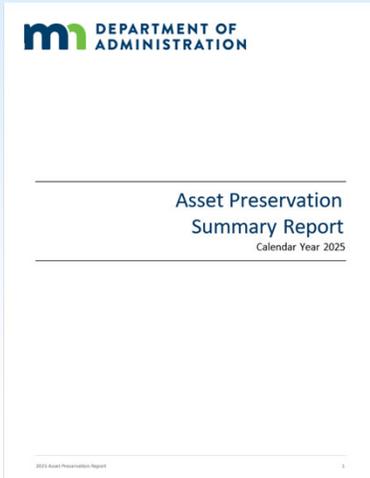
Asset Preservation Funds Expended in 2025



- **Corrections**
 - 2023 - \$4.9 million
 - 2025 - \$13.69 million
- **Direct Care and Treatment**
 - 2023 - \$4.24 million
 - 2025 - \$1.73 million
- **Minnesota State Academies**
 - 2023 - \$430,136
 - 2025 - \$386,834

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2025 Asset Preservation Report Asset Preservation Funds Expended in 2025



- **Veterans Affairs**
 - 2023 - \$2.987 million
 - 2025 - \$0
- **Perpich**
 - 2023 - \$279,833
 - 2025 - \$119,600

Capital Asset Preservation and Replacement Account (CAPRA) Minn. Stat. 16A.632

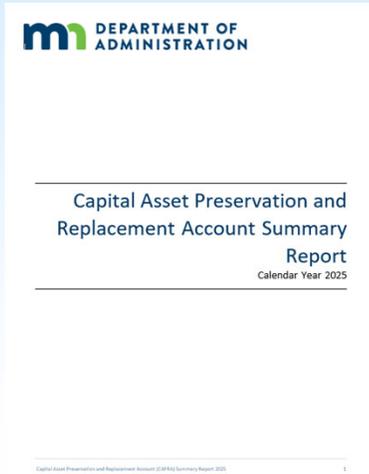
Allowable Uses

- **Emergencies.** Address life safety hazards, including security, building code violations and structural defects
- **Environmental.** Eliminating or remediating hazardous substances or conditions (asbestos, lead paint)
- **Accessibility** Addressing accessibility deficiencies and
- **Major Repairs.** Undertaking building system repairs or replacements (e.g. roofs, windows, mechanical or electrical)

Not allowed

- **Land Acquisition.**
- **New Construction.** Construction of new buildings or additions
- **Non-state-owned properties.** May not be used on non-state owned
- **Routine Maintenance.** For operating expenses (routine maintenance items)
- **Non-Capital items**

2025 CAPRA Report Projects funded in 2025



• Administration

- 2023 - \$464,808
- 2025 - \$475,192

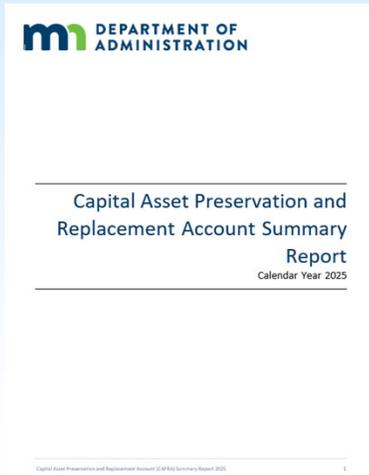
• Amateur Sports Commission

- 2023 - \$253,869

• Corrections

- 2023 - \$794,767
- 2025 - \$60,000

2025 CAPRA Report Projects Funded in 2025



• Iron Range Resources

- 2023 - \$216,587
- 2025 - \$60,000

• Public Safety

- 2023 - \$40,000

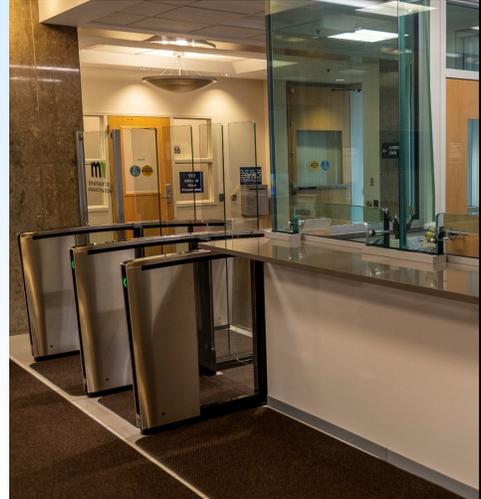
• Veterans Affairs

- 2023 - \$650,000

Capitol Complex Security Upgrades Phase III

Request: \$27.204 million (GO), \$13.804 (GF)

- Make upgrades recommended by security consultants
- Reflects updated security assessment in 2022
 - Priorities will be revised based on 2025 assessment and ongoing consultations with stakeholders
- Majority of the Capitol Complex is still in need of security upgrades



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Capitol Building Asset Preservation

Request: \$5.546 million (GF)

- Necessary maintenance
 - Sand and paint exterior windows
 - Extensive scaffolding
- Renovation completed almost 10 years ago
- Protect \$310 million restoration



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Centennial Office Building Demolition

Request: \$17.894 million (GO), \$1.6 million (GF)

- Building is in poor condition and beyond useful life.
- Facility systems need replacing:
 - Electrical, HVAC, plumbing, communications, accessibility, building automation, fire suppression
- Renovation would cost over \$200 million
- COB will be mostly vacant after 2027

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Space Efficiency and Modernization

Request: \$12.4 million (GO), \$1 million (GF)

- Buildout space in Transportation Building
- Maximize existing workspace connected to Capitol tunnel system
- Collocate agencies and legislative support services on the Capitol Complex



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Capital Asset Preservation and Replacement Account (CAPRA)

Request: \$10 million (GO)

- Funds cover:
 - Emergency repairs
 - Unanticipated hazardous materials abatement
 - Extreme weather damage
- CAPRA balance is dangerously low
 - Only \$127,000 remains from \$10M appropriated 2023-2025



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Request Summary

Project Title	Funding Source	Amount in \$000s
Capitol Complex Security Upgrades Phase III	GO	27,204
	GF	13,804
Capitol Building Asset Preservation	GF	5,546
Centennial Office Building Demolition	GO	17,894
	GF	1,600
Space Efficiency and Modernization	GF	12,400
Capital Asset Preservation and Replacement Account	GO	10,000
Total Project Requests		88,448
<i>General Obligation Bonds Total</i>	GO	55,098
<i>General Fund Total</i>	GF	33,350

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Questions?

Thank you!



Commissioner Tamar Gronvall